

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7695**

**BILL NUMBER:** HB 1962

**DATE PREPARED:** Apr 2, 2001

**BILL AMENDED:** Mar 29, 2001

**SUBJECT:** Skills 2016 Worker Training Program.

**FISCAL ANALYST:** Chuck Mayfield

**PHONE NUMBER:** 232-4825

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill provides that unemployment benefits paid shall not be charges to the experience account of a base period employer in certain instances of property condemnation or destruction of the employer's property. It reduces the unemployment insurance tax by 0.06% for calendar years 2002 through 2006. The bill provides that, in certain circumstances, the Commissioner of Workforce Development may adjust the estimated amount of contributions to be paid.

The bill also establishes the Skills 2016 Training Fund to be used for the administration of the Skills 2016 Training Program, effective for calendar years 2002 through 2006. It repeals a provision concerning home health care workers who are denied employment or dismissed from employment. It also makes conforming amendments and technical corrections.

**Effective Date:** (Amended) July 1, 2001; January 1, 2002.

**Explanation of State Expenditures:** (Revised) The bill would keep the employer's rate from dramatically increasing if the employer's increased costs were due to the property condemnation or destruction of the employer's property resulting in at least 50% of the employees receiving benefits. Currently, one employer with about 30 employees would qualify under the bill.

The bill allows the Commissioner of Workforce Development to adjust the estimated amount of employer contributions for failure to submit timely payroll reports. The employer must provide all the facts for failure to provide a timely report and submit an accurate and reliable payroll report. The provision would probably have minor fiscal impact.

The bill removes automatic elimination of unemployment compensation benefits for home health care workers if the worker is dismissed from employment under the law requiring criminal history checks of home health care workers. The worker would still be subject to the same qualifying requirements as other workers.

The provision could have a minor increase in expenditures from the fund.

The bill establishes the Skills 2016 Training program administered by the Department of Workforce Development. The program is funded by a 0.06% assessment upon wages. The assessment would generate about \$11 M.

**Explanation of State Revenues:** (Revised) The bill reduces the contribution rate schedules for employers by 0.06% of wages, or the lowest amount allowed under federal law. The tax revenue for the Unemployment Insurance Benefit Fund was \$300,347,379 for FY 2000. A reduction in the rates of 0.06% of wages would reduce revenue by about \$11 M per year.

The State of Indiana is self-insured for unemployment benefits and pays claims as they occur. Consequently, the reduction in rates would not affect the state.

The 0.06% assessment for the Skills 2016 Training Fund would generate about \$11 M annually.

**Explanation of Local Expenditures:** The impact on a local unit of government will be as an employer.

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Workforce Development and all State Agencies.

**Local Agencies Affected:** All.

**Information Sources:** Charles Mazza, Department of Workforce Development, (317)232-7460.